CLAIMS

What is claimed is:

1   1.   Method for detecting fraud (is) non-personal transactions

2   comprising the steps of:

3   transmitting the purchaser's data to a fraud-detection

4   system, the purchaser's data including a ship-to address for the transaction;

5   processing the purchaser's data to determine whether the

6   transaction is potentially fraudulent; and

7   returning the relative risks of fraudulent activity associated

8   with the transaction.

1   2.   The fraud detection method according to claim 1, wherein

2   the processing step comprising parsing out the purchaser's ship-to address.

1   3.   The fraud detection method according to claim 1, further

2   comprising the step of checking to determine whether the purchaser's ship-to

3   address exists.

1   4.   The fraud detection method according to claim 3, wherein

2   the ship-to address checking step comprises comparing a zip code of the ship-to

3   address against a post office database.

1   5.   The fraud detection method according to claim 4, wherein

2   the zip code is a ZIP + 4 zip code.

6.   The fraud detection method according to claim 3, wherein the ship-to address checking step comprises comparing the city and state of the ship-to address against the city and state with the ZIP + 4 code.

7.   The fraud detection method according to claim 3, wherein the ship-to address checking step comprises checking the area code of the purchaser's phone number to determine whether it fits the geographic area of the ship-to address.

8.   The fraud detection method according to claim 3, wherein the ship-to address checking step comprises comparing the purchaser's ship-to address against the national change of address service database or the publisher's change of address database.

9.   The fraud detection method according to claim 3, wherein the ship-to address checking step comprises rating the building site associated with the "ship-to" address to determine whether the building or lot type is inconsistent with the transaction data.

10.   The fraud detection method according to claim 1, further comprising the step of checking the purchaser's ship-to address against an historical database to determine whether a prior history of fraud exists.

11.   The fraud detection method according to claim 10, wherein the prior history of fraud determining step comprises checking whether a record associated with the purchaser's ship-to address exists in the historical fraud database.

12.   The fraud detection method according to claim 11, wherein the associated record is checked to determine whether negative data is associated with the ship-to address.

13. The fraud detection method according to claim 1, further comprising the step of checking the purchaser's ship-to address against an historical database to determine whether a pattern of fraudulent activity exists for the ship-to address.

14. The fraud detection method according to claim 13, wherein the pattern of fraud detecting step comprises determining whether an overlapping use of payment means and ship-to address is present by consulting a database of prior transactions.

15. The fraud detection method according to claim 13, wherein the pattern of fraud detecting step comprises retroactively notifying the merchant of previous transactions associated with the ship-to address once a pattern of fraudulent activity has been detected.

16. The fraud detection method according to claim 1, further comprising the step of checking the purchaser's ship-to address against a modeling engine to determine whether elements exist in the demographic data which correlate with fraudulent trends.

17. The fraud detection method according to claim 1, further comprising the step of calculating a score based at least in part upon the likelihood that the transaction is fraudulent.

18. The fraud detection method according to claim 2, further comprising the step of checking to determine whether the purchaser's ship-to address exists.

1   19.   The fraud detection method according to claim 18, wherein

2 the ship-to address checking step comprises comparing a zip code of the ship-to

3 address against a post office database.

1   20.   The fraud detection method according to claim 19, wherein

2 the zip code is a ZIP+ 4 zip code.

1   21.   The fraud detection method according to claim 18, wherein

2 the ship-to address checking step comprises comparing the city and state of the

3 ship-to address against the city and state with the ZIP + 4 code.

1   22.   The fraud detection method according to claim 18, wherein

2 the ship-to address checking step comprises checking the area code of the

3 purchaser's phone number to determine whether it fits the geographic area of the

4 ship-to address.

1   23.   The fraud detection method according to claim 18, wherein

2 the ship-to address checking step comprises comparing the purchaser's ship-to

3 address against the national change of address service database or the publisher's

4 change of address database.

1   24.   The fraud detection method according to claim 18, wherein

2 the ship-to address checking step comprises rating the building site associated

3 with the "ship-to" address to determine whether the building or lot type is

4 inconsistent with the transaction data.

1   25.   The fraud detection method according to claim 18, further

2 comprising the step of checking the purchaser's ship-to address against an

3 historical database to determine whether a prior history of fraud exists.

1   26.   The fraud detection method according to claim 25, wherein
2   the prior history of fraud determining step comprises checking whether a record
3   associated with the purchaser's ship-to address exists in the historical fraud
4   database.

1   27.   The fraud detection method according to claim 26, wherein
2   the associated record is checked to determine whether negative data is associated
3   with the ship-to address.

1   28.   The fraud detection method according to claim 25, further
2   comprising the step of checking the purchaser's ship-to address against an
3   historical database to determine whether a pattern of fraudulent activity exists for
4   the ship-to address.

1   29.   The fraud detection method according to claim 28, wherein
2   the pattern of fraud detecting step comprises determining whether an overlapping
3   use of payment means and ship-to address is present by consulting a database of
4   prior transactions.

1   30.   The fraud detection method according to claim 28, wherein
2   the pattern of fraud detecting step comprises retroactively notifying the merchant
3   of previous transactions associated with the ship-to address once a pattern of
4   fraudulent activity has been detected.

1   31.   The fraud detection method according to claim 28, further
2   comprising the step of checking the purchaser's ship-to address against a
3   modeling engine to determine whether elements exist in the demographic data
4   which correlate with fraudulent trends.

1   32.   The fraud detection method according to claim 31, further

2   comprising the step of calculating a score based at least in part upon the

3   likelihood that the transaction is fraudulent.